

SUMMARY ANALYSIS

AGENCY Finep



Brazil's Public Funder of Science, Technology & Innovation



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GLOSSARY OF ACRONYMS AND KEY TERMS

ABVCAP	Brazilian Private Equity & Venture Capital Association Industry association representing private equity and venture capital funds in Brazil.
AFD	French development Agence (Agence Française de Développement)
AIMC	Investment and Capital Markets Area (Área de Investimento e Mercado de Capitais) Internal Finep department responsible for managing equity and capital market instruments.
APDT	Applied Research and Technological Development Area (Área de Pesquisa Aplicada e Desenvolvimento Tecnológico)
BNDES	Brazilian Development Bank (Banco Nacional de Desenvolvimento Econômico e Social) - Brazil's main public development bank, focused on financing productive investment and economic development.
BNDESPAR	BNDES Participations - Equity investment arm of BNDES, operating as a shareholder in companies and investment funds.
CCF	Control and Finance Committee (Comitê de Controle e Finanças) - Governance body within the FNDCT responsible for financial oversight.
CERTI	Foundation for Centers of Reference in Innovative Technologies (Fundação Centros de Referência em Tecnologias Inovadoras) - Private non-profit foundation specializing in R&D, technology transfer, and entrepreneurship support
CGU	Office of the Comptroller General (Controladoria-Geral da União) - Federal body responsible for internal control, audits, and anti-corruption oversight.
CNPq	National Council for Scientific and Technological Development (Conselho Nacional de Desenvolvimento Científico e Tecnológico) - Public agency focused on research funding and human capital development, particularly through scholarships.
CPFS	Finep Startup Program Coordination (Coordenação do Programa Finep Startup) - Internal unit responsible for managing Finep's startup investment program.
CVM	Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários) - Regulatory authority overseeing capital markets and investment funds in Brazil.
DAIE	Department of Innovation and Entrepreneurship Environments (Departamento de Ambientes de Inovação e Empreendedorismo) - Finep department responsible for fostering innovation ecosystems and startup development.
DRCT	Directorate of Scientific and Technological Development (Diretoria de Desenvolvimento Científico e Tecnológico) - Finep directorate responsible for non-reimbursable funding and support to research institutions.
DRFC	Directorate of Finance, Credit and Fundraising (Diretoria Financeira, de Crédito e Captação) - Finep directorate responsible for credit operations and financial instruments
DRU	Decoupling of Federal Revenues (Desvinculação de Receitas da União) - Fiscal mechanism allowing the federal government to reallocate earmarked revenues.
FAPs	State Research Foundations (Fundações de Amparo à Pesquisa) - State-level institutions that support research and innovation and act as regional partners.
FIP	Fundo de Investimento em Participações (Private Equity Fund) - Brazilian investment fund structure used for equity participation in companies, typically in venture capital and private equity operations.
FNDCT	National Fund for Scientific and Technological Development (Fundo Nacional de Desenvolvimento Científico e Tecnológico) - Main federal funding mechanism for

science, technology, and innovation in Brazil.

FUST	Telecommunications Services Universalization Fund (Fundo de Universalização dos Serviços de Telecomunicações)
ICT	Science and Technology Institutions (Instituições de Ciência e Tecnologia) - Universities, research institutes, and technological centers eligible for public funding
IDB	Inter-American Development Bank - Multilateral development bank supporting economic and social development in Latin America.
IPEA	Institute for Applied Economic Research (Instituto de Pesquisa Econômica Aplicada) - Government think tank producing economic and policy research
LOA	Annual Budget Law (Lei Orçamentária Anual) - Federal law that defines the government's yearly budget.
MCTI	Ministry of Science, Technology and Innovation (Ministério da Ciência, Tecnologia e Inovação) - Federal ministry responsible for defining national STI policies.
MPO	Ministry of Planning and Budget (Ministério do Planejamento e Orçamento) - Government body responsible for national budget planning.
MSMEs	Micro, Small and Medium Enterprises - Classification of companies based on size and revenue.
NIB	New Industry Brazil Strategy (Nova Indústria Brasil) - Federal industrial policy framework guiding innovation investments.
PPA	Multi-Year Plan (Plano Plurianual) - Government planning instrument defining priorities over a four-year period.
PROINFRA	Research Infrastructure Support Program - Program financing infrastructure for research institutions.
ROB	Gross Operating Revenue (Receita Operacional Bruta) - Metric used to classify company size and eligibility criteria.
SELIC	Brazilian Central Bank Interest Rate - Benchmark interest rate of the Brazilian economy.
SICREDI	Credit Cooperative System (Sicredi) - Network of financial cooperatives acting as intermediaries in credit operations.
STI	Science, Technology and Innovation - Sector encompassing research, technological development, and innovation activities.
TCU	Federal Court of Accounts (Tribunal de Contas da União) - Supreme audit institution responsible for overseeing public spending.
TRL	Technology Readiness Level - Scale from 1 to 9 used to assess the maturity of a technology.

1. CONTEXT AND OBJECTIVES OF THE STUDY

1.1 THE AFD GROUP'S APPROACH TO ENTREPRENEURSHIP

The French Development Agency Group (AFD, Proparco, Expertise France, Digital Africa, Campus AFD) adopts a holistic approach to supporting entrepreneurship, aimed at fostering the emergence, consolidation and growth of entrepreneurial initiatives in the countries where it operates. This strategy is structured around four complementary areas of action, implemented in a coordinated manner by the Group's various entities:

- Employability through self-employment and vocational training;
- Support for public policies and ecosystems promoting the private sector and entrepreneurship;
- Support for financial systems and improved access to finance;
- Sector-based approach and strengthening of productive sectors.

1.2 THE ROLE OF PUBLIC AGENCIES SUPPORTING THE PRIVATE SECTOR

As part of its mandate, AFD regularly works with national or regional public agencies whose responsibility is to structure or strengthen the local entrepreneurial environment. These agencies fulfil essential strategic and operational functions to support private sector development and job creation. They operate at several levels:

- Rolling out programs to support entrepreneurship including training, mentoring, incubation and advisory services for entrepreneurs;
- Implementing measures to assist MSMEs in formalizing their status (administrative support, information, access to legal status, integration into tax and social security systems);
- Access to finance, through the management or coordination of public schemes offering grants, preferential-rate loans, guarantees or dedicated investment funds;
- Non-financial support, in particular through support structures (incubators, hubs) or the development of local business service networks;
- Promotion of investment and exports, by facilitating businesses' access to international markets and attracting strategic investors;
- Facilitation and coordination of the entrepreneurial ecosystem, through multi-stakeholder platform linking ministries, financial institutions, donors, private organizations and civil society.

Depending on national contexts, their mandates, governance models, sources of funding and scope of intervention can vary significantly. Some agencies act as the operational arms of ministries, others as autonomous economic development institutions, and others as one-stop shops for businesses.

The AFD Group is increasingly engaging with public agencies responsible for private sector development and therefore wishes to strengthen its in-depth, comparative and critical understanding of these institutions, in order to improve the quality of its interventions and strategic dialogue with those public partners.

1.3 KEY OBJECTIVES OF THE STUDY

In this context, the Agence Française de Développement (AFD) has launched a series of studies aimed at:

- Identify and analyze mature agency models, which demonstrate proven results, clear strategic functions, and lessons that can be applied in other contexts;
- Identify the key success factors and critical risks associated with the operation of these agencies (financial autonomy, political dependence, management capacity, integration with ecosystems, etc.);

The countries and agencies under study were selected following a funnel-based approach combining:

- Literature reviews aimed at identifying case studies, reports from specific agencies and 'success stories'. These included databases and publications from the World Bank, the International Labour Organisation, regional development banks, and other comparable organisations likely to hold relevant information on the subject.
- An analysis of macroeconomic indicators characterizing the entrepreneurial ecosystem to prioritize economies demonstrating sufficient maturity of the entrepreneurial ecosystem. We selected data from the World Bank and the Global Entrepreneurship Monitor (GEM) due to the diversity of available indicators and their country coverage. The GEM is the largest international study on entrepreneurship. It is conducted annually in over 60 countries and analyses the entrepreneurial environment, activities and attitudes of the country and its population. The indicators used included:
 - Emerging entrepreneurship: Total Early-Stage Entrepreneurial Activity (Percentage of the population aged 18 to 64 who are either emerging entrepreneurs or owner-managers of a new business) and New Business Density (Number of new limited liability companies registered per 1,000 people of working age - aged 15 to 64 - per year).
 - Established entrepreneurship: Establish Business Ownership (Percentage of the population aged 18 to 64 who are currently owner-operators of an established business, i.e. who own and manage an active business that has paid wages, salaries or other remuneration to the owners for more than 42 months.)
 - Institutional environment: Policies supporting entrepreneurship and the quality of regulations regarding support for the private sector
 - Public support: Government programs supporting SMEs

- In addition to these quantitative indicators, we have included two qualitative indicators: a. the AFD's strategic priority and b. agencies identified as exemplary or frequently studied in the literature.

The following six agencies were therefore selected crossing the collected data, strategic interest for AFD and geographical diversity.

- Brazil: Finep
- Chile: CORFO
- Indonesia: SMESCO
- Thailand: OSMEP
- Singapore: Enterprise SG
- South Africa: SEDFA

In particular, the Finep agency in Brazil – on which this publication focuses – was identified as a subject for study because it is regularly cited in the literature as a case study and because it is a key agency providing financial support for technological and innovative entrepreneurship, with an inclusive approach to ecosystem stakeholders (innovative companies, universities and research institutes, technology institutes and other public or private organizations involved in R&D or innovation).

2. METHODOLOGY

The analysis of Finep model is based on a combination of primary and secondary sources collected in the first semester of 2026. Primary sources include structured interviews conducted with five Finep leaders and staff members, which covered all dimensions of the study framework. Secondary sources include Finep's official website, its public dashboards (Central de Paineis), the FNDCT Annual Results Report 2024, the Integrated Annual Reports, and recent press releases and news from Finep and the Brazilian Ministry of Science, Technology and Innovation (MCTI).

5 interviews were conducted as part of the study with the following key informants :

- Superintendent of the Planning Division (or Planning Area)
- Advisor to the Finance, Credit and Fundraising Directorate
- Analyst at the Department of Product Management and Corporate Innovation
- Advisor to the Scientific and Technological Development Directorate
- Advisor to the Presidency of Finep

They were conducted in Portuguese and covered Finep's governance, economic model, organizational structure, target audiences, service offering, and results achieved.

This report synthesizes findings across all interviews and enriches them with data from Finep's public documentation :

- Official Finep Documentation (Web)
- Central de Painéis — Painéis públicos. Available at <http://www.finep.gov.br/transparencia-finep/paineis-e-downloads/central-de-paineis>
- Condições Operacionais. Available at: http://www.finep.gov.br/images/a-finep/Condicoes_Operacionais/CondicoesOperacionais.pdf
- O que Apoiamos — Programas e Produtos Available at: <http://www.finep.gov.br/apoio-e-financiamento-externa/o-que-apoiamos>
- FNDCT — Fundo Nacional de Desenvolvimento Científico e Tecnológico. Available at: <http://www.finep.gov.br/a-finep-externo/fndct/fndct>
- Cadeia de Valor da Finep. Available at: <http://www.finep.gov.br/a-finep-externo/cadeia-de-valor>
- Relatórios Anuais Integrados — Relato Integrado. Available at: <http://www.finep.gov.br/transparencia-finep/relatorios-do-fndct/relato-integrado>
- HOW INNOVATION AGENCIES WORK: International lessons to inspire and inform national strategies ; 2016 ; Nesta
- Agencias latinoamericanas de fomento de la innovación y el emprendimiento ; 2017 ; BID

The analysis was conducted independently by MUVA and RMDA as external organizations, based on their own assessment of Finep's institutional model and operations, supporting an approach grounded in analytical distance and impartiality. At the same time, some limitations should be acknowledged. Primary data collection relied exclusively on interviews with Finep staff, without the inclusion of external ecosystem actors such as beneficiaries, partners, or market participants, which narrows the range of perspectives captured on the agency's role and performance. In addition, a draft version of the report was shared with Finep for factual review. The feedback received focused on specific technical clarifications and did not substantively modify the analysis. The findings therefore reflect a synthesis of internal perspectives, complemented and cross-checked with publicly available documentation.

3. COLLECTED DATA

3.1 GOVERNANCE AND POSITIONING

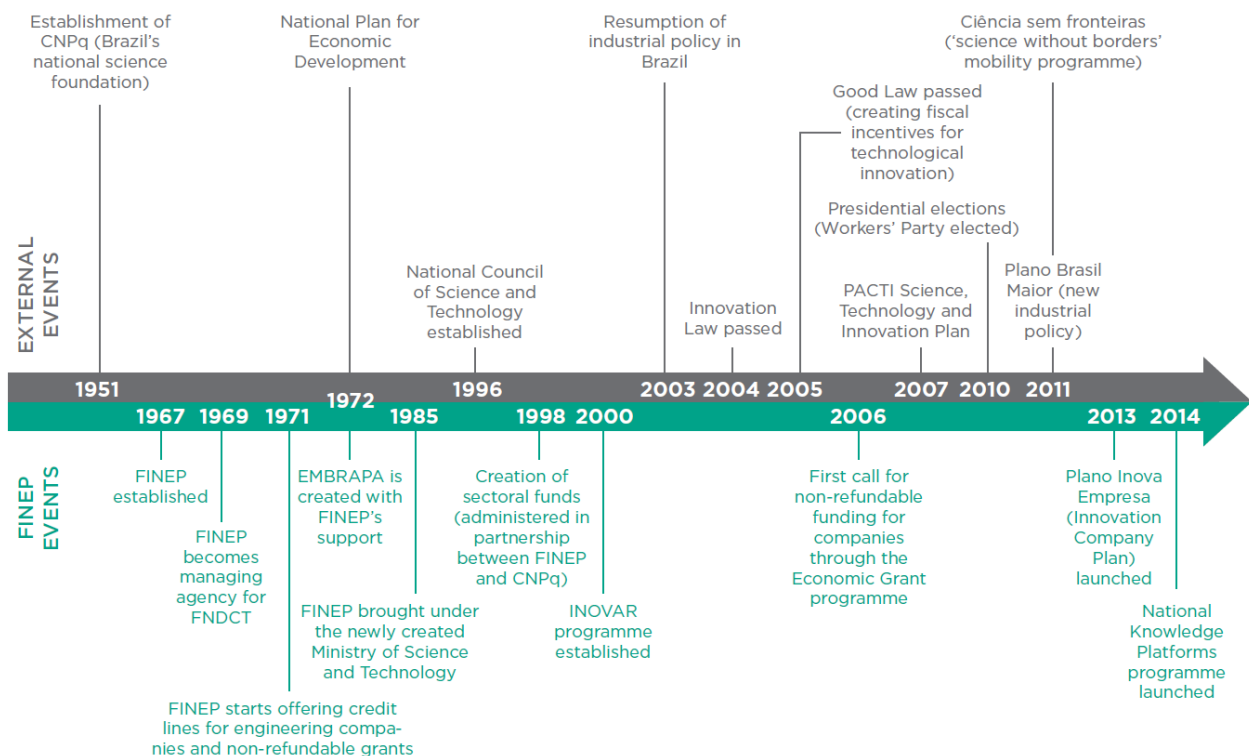
Date and context of creation of Finep

Finep was set up in 1967 as a public company, institutionalizing a pre-existing trust fund for research projects and programmed created in 1965.

It was created during a period of centralized economic planning in which the federal government sought to build permanent institutions capable of financing scientific and technological development as part of a broader industrialization strategy. Its creation responded to the need for

an operational body to manage public resources for research and innovation, a role that became formalized with the establishment of the FNDCT in 1969.

Finep underwent a major shift in 2004 when it started offering direct financing to firms, after three decades spent delivering government funding programmes for research and academic institutions. Since then, the agency's mandate has evolved in line with national STI policy, but its strategic orientation has remained defined at the ministerial level, with Finep acting primarily as an implementing and financing institution rather than a policy-making body.



Source: *How innovation agencies work: International lessons to inspire and inform national strategies* ; 2016 ; Nesta

Supervising ministry

Finep is a public company (empresa pública) affiliated with the Ministry of Science, Technology and Innovation (MCTI). The Ministry is the primary political principal and defines final strategic guidelines.

Finep acts as the operational executor, elaborating and implementing the instruments within those guidelines. Finep operates a dual governance structure:

- As a corporate entity, it is accountable to its Board of Directors (Conselho de Administração), Audit Committee, and Fiscal Council.
- As the Executive Secretariat of the FNDCT (National Fund for Scientific and Technological Development), it is accountable to the FNDCT Steering Council (Conselho Diretor), which comprises 17 members from government, civil society, and academia.

Mandate

Finep's institutional mission, as stated officially, is: to promote Brazil's economic and social development through public funding for Science, Technology and Innovation in companies, universities, technological institutes and other public or private institutions.

Its vision is: to transform Brazil through innovation, operating throughout the innovation chain with a focus on strategic, structuring and impactful activities for Brazil's sustainable development.

The main objectives of Finep's mandate are to foster scientific and technological development, strengthen national innovation capacity, and support economic and social progress through public funding instruments directed to companies, research institutions, and innovation ecosystems. These objectives are aligned with national policies because the final strategic guidelines are centralized in the Ministry of Science, Technology and Innovation (MCTI), which defines priorities, thematic areas, and policy directions for the National System of Science, Technology and Innovation. Within this framework, Finep operates as the implementing agency, translating ministerial strategies into programs, funding instruments, and operational actions, ensuring that its activities remain consistent with federal development plans, industrial and innovation policies, and the strategic use of the FNDCT.

Support for entrepreneurship is embedded in Finep's mandate primarily through three structural units:

- Departamento de Ambientes de Inovação e Empreendedorismo (DAIE), within the Diretoria de Desenvolvimento Científico e Tecnológico (DRCT): This is the primary unit responsible for **fostering innovation ecosystems and startup development**.
- Its key activities include:
 - (i) proposing policies and programs for innovation promotion;
 - (ii) fostering incubators, accelerators, open labs, innovation centers, technology parks, and smart cities;
 - (iii) providing direct economic subsidy (subvenção econômica) and prizes to startups, micro, small, and medium enterprises;
 - (iv) facilitating connections between ICTs (Instituições de Ciência e Tecnologia - which encompasses public and private research institutes, laboratories, technological centers) and innovative companies;
 - (v) technical analysis of projects for the decision-making bodies.
- The DAIE sits under the Área de Pesquisa Aplicada e Desenvolvimento Tecnológico (APDT), which focuses on 'fostering and supporting STI actions through projects and programs for applied research in ICTs and/or technological development and innovation in startups, micro, small, and medium enterprises.
- Coordenação do Programa Finep Startup (CPFS), within the Diretoria Financeira, de Crédito e Captação (DRFC): **it manages equity investment in startups — both direct investment (now closed for new proposals) and indirect via venture capital funds**.
- Departamento de Operações de Crédito Descentralizado (DOCD), within the Diretoria de Inovação (DRIN): This unit is responsible for **providing financial support to smaller firms through decentralized credit operations, delivered via a network of regional agents**. It plays a key role in expanding access to Finep's financial instruments beyond large firms and

centralized operations. The DRIN, to which the DOCD is linked, is also responsible for managing the majority of economic subsidy (subvenção econômica) calls, which target companies of all sizes.

Support for entrepreneurship occurs mainly through financial instruments and innovation programs. However, interviewees noted that entrepreneurship is **not a primary standalone focus** within the current administration: *'Entrepreneurship is not within a specific mission but within industrial policy. We have credit lines and decentralized actions, but Finep's direct operation targets medium and large companies, not micro and small enterprises.'* The Finep Startup program (direct equity) reached its maximum operational capacity and closed for new proposals in June 2025.

An ongoing internal debate exists about the scope of this mandate: should Finep act purely as a financial agency — disbursing funds against well-defined criteria — or should it also act as an orchestrator and catalyst of the broader innovation ecosystem, including convening actors, generating strategic intelligence, and shaping public policy beyond its funding instruments?

As of today, in terms of the financial agency role: Finep's Carta de Serviços is heavily focused on financial instruments; **its Service Charter does not include general technical assistance. Programs like INOVA Credito include some capacity-building elements, but these serve the funding operation rather than as standalone services.**

In terms of the orchestrator role: Finep has organized seminars on AI and engineering education; it plans a series of workshops connecting government agencies, academia, and companies on strategic development challenges. Finep also participates in sectoral councils and international cooperation bodies.

'In the last 2 months we organized 2 seminars: one on AI and one on the training of engineers in Brazil. We are starting a series of seminars bringing together people from government agencies, academia, and companies. The idea is: how can Finep and BNDES act in the state of Rio de Janeiro to ensure economic development, national sovereignty, and international positioning of Brazil.'

Decision-making / Operational autonomy

Finep participates in the highest governance instance of the FNDCT and in the Control and Finance Committee (CCF). Historically, it acts as a technical reference on where and how to invest resources and supports public policy formulation.

However, final strategic guidelines are centralized in the Ministry. Autonomy is influenced and mediated by political changes and institutional relationships.

Finep has significant operational autonomy in executing what the FNDCT Steering Council approves, but limited autonomy in strategic resource allocation.

- Strategy definition: The FNDCT Steering Council defines priority programs and approves the Annual Investment Plan (PAI). Finep proposes, but does not decide, how resources are allocated across themes.
- Operational execution: Finep's Executive Directorate (President + 4 Directors) has full authority to approve projects and contracts within the defined strategic framework. *'The Board deliberates and Finep executes. The directors of Finep's operational areas have autonomy to execute what was deliberated by the Steering Council.'*
- Credit autonomy: Finep retains full autonomy over the terms of its reimbursable credit operations — interest rates, risk spreads, and credit analysis — since these are financed by Finep's own intermediation income from FNDCT loans.
- Political pressure: Interview sources noted that Finep experiences both technical and political pressures on its mandate. Changes in government leadership affect institutional continuity. *'The autonomy is influenced and mediated by political changes and institutional relationships.'*

Budgetary autonomy

Approximately 95% of the resources operated by Finep come from the FNDCT. The fund's total volume is approximately BRL 17 billion, split roughly 50/50 between reimbursable (credit) and non-reimbursable instruments. Finep's own revenues come from the interest spread it earns on credit operations and a 2% administrative fee from the FNDCT.

- Planning process: Finep's budget planning is influenced by the Plano Plurianual (PPA) multi-year government plan, but resources arrive already earmarked (marcados) through Terms of Reference (Termos de Referência) that carry their own budget classification aligned with the PPA. Budget planning is coordinated by the Ministry of Planning and Budget (MPO).
- Historical volatility: The FNDCT's resources have historically been subject to "contingenciamento" (freezing) during fiscal austerity periods. Between 2016 and 2022, large portions of the fund were frozen. In 2021, Complementary Law 177/21 legally prohibited the "contingenciamento" of FNDCT resources, providing greater predictability. Senator Jaques Wagner was credited by interviewees for articulating the release of BRL 22 billion in resources under the Lula administration.
- Current trajectory: Budget in 2026 is projected at BRL 17 billion (compared to BRL 4 billion in 2015), with the elimination of the Desvinculação de Receitas da União (DRU) from 2025 onwards meaning resources must stay in the sector. The MCTI's overall budget increased 34.3% from 2024 to 2025.

As budget is approved by the Ministry on a year-by-year basis, it limits its ability to make longer-term investments.

In terms of control mechanism, Finep reports directly to the CGU (Controladoria Geral da União), which forwards to the TCU (Tribunal de Contas da União).

- Annual audits and public management reports are mandatory.
- Budget is approved internally and by the Ministry (not Congress).
- Finep has an internal Audit Committee, Fiscal Council, and Board of Directors as additional oversight layers.
- Interviewees noted strict oversight by control bodies ('auditorias anuais, relatorias de gestao publica') creating pressure for assertiveness and precision in spending.
- Finep is developing a more systematic Monitoring and Evaluation (M&E) system, currently a weak point.

Steering and accountability

Finep's hierarchical structure for decision-making is as follow:

- President (Presidente)
- Director of Finance and Credit (Diretoria Financeira)
- Director of Science and Technology (Diretoria de Ciência e Tecnologia) — manages non-reimbursable resources for ICTs/universities
- Director of Reimbursable Operations (Diretoria de Reembolsáveis) — manages credit for companies
- Director of Administration (Diretoria de Administração)

The President has 5 advisors. All four directors and the President form the Executive Directorate (colegiado), which is the final approval body for all projects.

Below the Executive Directorate, the credit operations have a Superintendents Committee that meets weekly to review and recommend credit proposals before they go to the Board. The non-reimbursable and subsidy processes use ad hoc external consultants/reviewers from universities.

Positioning within the public-private entrepreneurial ecosystem

Finep sits at the intersection of government, academia and industry, delivering its programs in partnership with actors including the national science funding agency, regional development banks, and the powerful BNDES bank.

It positions itself as complementary to other public and private actors, with a specific focus on innovation and science — distinct from BNDES, which concentrates on productive capacity expansion.

In comparison to other agencies worldwide, Finep coordination capacity is considered quite high because it led the design of Plano Inova Empresa, Brazil's innovation and technology strategy.

Launched in 2013, this aimed to increase R&D in strategic sectors and resulted from the cooperation between 12 ministries, four federal regulatory agencies and the Brazilian Development Bank.

Nevertheless, in daily operation, coordination can still be improved:

- BNDES: Frequent coordination, especially on Nova Industria Brasil themes. *'We exchange a lot of information with them to define themes for innovation. We consult many people from BNDES and universities.'* BNDES focuses on productive capacity and credit; Finep on innovation risk. Some overlap exist in credit lines for innovation.
- CNPq: Institutional desire for greater integration. Finep does not award research grants (bolsas); that is CNPq's mandate. Interviewees noted the lack of joint mechanisms (e.g., special research grants for PhDs embedded in innovative companies) as a gap: *'We are fighting for these agencies to join together to tackle major national objectives.'*
- FAPs (State Research Foundations): Strong complementarity. FAPs operate as Finep's advanced posts (postos avançados) in states. FAPESP (Sao Paulo) is cited as outstanding. FAPs serve as operational partners for decentralized calls and as implementation agents in states. *'Some Finep projects are done in cooperation with FAPs.'*
- EMBRAPPI: Growing role in applied industrial research; different operational model but complementary.
- FAPESB, FAPESC, FAPEMIG, FAPERN etc. : Formal cooperation agreements; Finep resources can flow through these to regional actors.

Partners (technical, financial, etc.)

The main technical, financial, and implementation partners include:

- BNDES — Coordination on innovation financing and industrial policy priorities, with efforts to align instruments and avoid overlap, particularly within federal initiatives such as the Nova Indústria Brasil strategy.
- State Research Foundations (FAPs, e.g., FAPERJ, FAPESP, FAPEMIG) — Partners in decentralized implementation of STI policy, including co-funded calls, joint programs, and regional execution of funding instruments, helping extend Finep's reach at the state level.
- CNPq — Complementary role within the MCTI system: CNPq focuses primarily on research grants and human resource development, while Finep concentrates on project financing, technological development, and innovation in firms and research institutions.
- Sectoral ministries (Health, Agriculture, Defense, Energy, etc.) — Define thematic priorities and may co-finance programs or calls, ensuring alignment between Finep's funding instruments and sectoral innovation policies.
- Financial institutions (public banks, regional development banks, and accredited financial agents) — Operate as intermediaries for some credit instruments, enabling decentralized access to financing, especially for smaller projects or companies, while Finep retains technical and policy oversight.
- International organizations and cooperation programs (IDB, World Bank, UNESCO, some bilateral cooperation) — Provide technical cooperation, co-financing, and knowledge

exchange in areas such as innovation policy, venture capital, monitoring and evaluation, and internationalization of R&D.

- Universities and research institutes (ICTs) — Participate as beneficiaries of non-reimbursable funding, partners in cooperative R&D projects with firms, and technical experts in peer review and merit evaluation processes for public calls.

3.2 ECONOMIC MODEL

Source of funding

Finep's resources come from two main sources:

- FNDCT (National Fund for Scientific and Technological Development): ~95% of total resources. The fund is composed of 16 sectoral funds (Fundos Setoriais), each fed by earmarked taxes and levies from specific sectors (oil, telecom, health, agro, aeronautics, IT, energy, water, transport, biotechnology, etc.). These are supplemented by cross-cutting transversal actions. The FNDCT is managed through two budget units: i) non-reimbursable actions and subsidies receiving at least 50% of annual revenue, and ii) credit operations via Finep loan receiving up to 50%.
- Own Revenue (Receita Própria): Finep charges an interest spread on credit operations (TR + 2.5% to TR + 7% per year, depending on risk) and receives a 2% administrative fee from the FNDCT. These revenues finance Finep's operational costs and allow it to maintain its team and continue operations.

Other public resources: Finep occasionally receives resources from other public funds (e.g., MOVER automotive fund, Petrobras cooperation, telecommunications fund FUST). These are a small minority of total resources.

Finep has the legal capacity to raise private capital; however, this is not part of its usual funding model. Its operations rely predominantly on public resources, particularly the FNDCT.

Regarding bond issuance, Finep is currently exploring this possibility. However, as it is not a bank and is not regulated by the Central Bank, there are specific legal and institutional constraints that shape how and whether such instruments can be implemented.

Budget Scale and Trends

In comparison to other innovation agencies in Latin-America, Finep stand out for the quantity of resources it manages.

2026 Budget	BRL 17 billion (projected FNDCT allocation); 50% reimbursable / 50% non-reimbursable
2024 New Credit Contracted	BRL 15 billion (BRL 9.41 billion in credit contracted; BRL 10 billion disbursed)
2024 Revenue (Faturamento)	BRL 2 billion (record revenue for Finep)
2024 Default Rate	0.11% — lowest in Finep's history

In terms of credit, Finep approved a total of approximately BRL 22.3 billion in 2024, a 232.8% increase compared to 2023, making it a historic record. The combined 2023-2024 approvals under the Nova Industria Brasil framework reached BRL 24.5 billion across more than 2,000 projects. With counterpart contributions from supported institutions, total mobilized investment reached nearly BRL 30 billion.

These figures must be viewed in their historical context: Finep's budget was approximately BRL 4 billion in 2015, then was subject to severe freezing (contingenciamento) between 2016 and 2022. Since 2022, with the passage of LC 177/21 and the Lula government's economic expansion, resources have grown dramatically. *'When Lula took office, he released the freezing. This was important for companies.'*

Historically volatile, but structurally improved. The prohibition on freezing (LC 177/21) provides legal protection. However, interviewees noted that: *'Science and technology has a long cycle. So, the on-off switch is a very dangerous thing.'* Annual budget follows the LOA (Lei Orçamentaria Anual) and can change year to year with economic shocks.

Pricing of services (free, subsidized, commercial)

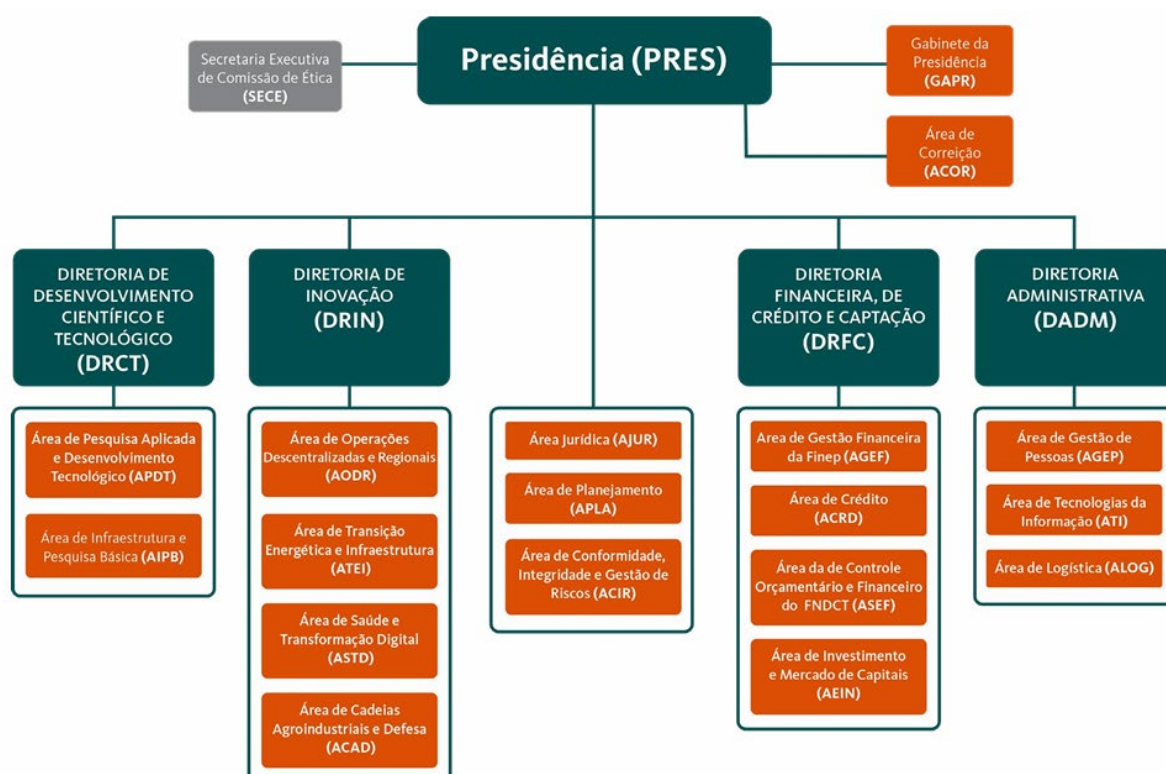
Finep does not charge for the content of its financial instruments per se. Its revenue model is:

- Administrative fee: 2% of FNDCT resources (legal limit per Lei 11.540/2007)
- Operational expense fee: up to 5% of annual revenues from specific FNDCT fund sources
- Credit spread: TR + 2.5% to TR + 7% per year (the basic rate TR was ~2% at time of interviews — well below the SELIC rate of ~13-14%)
- Tariffs for specific administrative services: e.g., analysis of guarantee substitution requests
- No general consulting services are charged

3.3 ORGANIZATION

Organization and staffing of teams

Finep is structured around four departments, in addition to the Presidency.



Source : Annual report 2024

In terms of volume, Finep has approximately 560 employees. This is considered insufficient given the scale of resources managed — interviewees noted that resources have grown dramatically since 2022 while staffing has not kept pace. A public concurso (civil service exam) for new hires was conducted and new staff are being onboarded.

In terms of competences, documentation indicates that Finep staff have a mix of backgrounds, including economists, engineers, lawyers, and individuals with experience of working in the private sector or the civil service. Most employees have graduate or post-graduate level degrees representing (just under 90 per cent of the workforce). Finep provides support to staff interested in doing Masters or PhD degrees, and recently launched an internal 'Finep university'. This makes training available to all staff on a range of issues, including innovation policy, economic or industrial affairs, intellectual property, and Finep evaluation procedures.

Degree of centralization / Decentralization

Finep is organizationally centralized (headquarters in Rio de Janeiro) but operationally decentralized through:

- Headquarters: Rio de Janeiro (main operations, all directorates and most analytical work)
- Regional offices: Finep operates regional offices across all 5 major regions of Brazil, which together serve all 26 states and the Federal District. These offices focus on outreach and relationship-building, attendance at regional events (e.g., Agrishow fair), and maintaining close relationships with regional beneficiaries and partners.
- Decentralized credit operations:
 - A dedicated superintendency manages the decentralized credit operations via agentes financeiros (banks, credit cooperatives such as Sicredi, state development banks such as ABC Bank, SUFISA). Projects below BRL 15 million and companies below certain revenue thresholds are directed to these agents.
 - FAPs (state research foundations) who execute non-reimbursable support at the state level

Currently, North / Northeast / Center-West regions account for only 11.7% of resources (as of October 2024), though a 30% minimum allocation for those regions is mandated by FNDCT directives.

This is due to lower institutional and technical capacity among local actors (companies, universities, research centers) to prepare competitive applications for Finep calls, particularly in terms of project structuring, financial documentation, and innovation framing.

As a result, regional calls (editais) increase formal access but do not, on their own, address underlying structural barriers to participation.

Some interviewees noted the need to better understand local contexts and demand dynamics in these regions, as they may not always align with the design and requirements of Finep's instruments, potentially affecting participation levels.

Degree of digitization, structuring, and efficiency of processes

Finep has developed a proprietary in-house IT platform that manages the full project lifecycle: submission, analysis, contracting, monitoring, and reporting.

- All processes are 100% digital (confirmed by multiple interviewees).
- The platform was designed and developed internally by Finep teams — a point of organizational pride.
- Significant efficiency gains have been achieved, enabling the management of a BRL 17 billion portfolio with 560 staff.
- Interviewees noted room for further improvement in the speed of processes, particularly where coordination with the Ministry of Science and Technology is required. As one interviewee stated: *"Could be more agile. The articulation with the Ministry of Science and Technology could be more efficient."*
- Finep is in a process of continuous process simplification

3.4 TARGET AUDIENCES

Types and number of beneficiaries

Finep supports a wide range of actors in the science, technology and innovation ecosystem:

- **Companies:** From startups to large corporations. The direct credit operations (above BRL 40 million) focus on medium and large companies. Decentralized credit and subsidy instruments also reach small and micro enterprises.
- **ICTs** (Instituições de Ciência e Tecnologia): Public and private research institutes, laboratories, technological centers. These are the primary beneficiaries of non-reimbursable resources.
- **Universities:** Public and private universities across Brazil. Natural sciences and engineering historically receive more resources, but social sciences are also supported.
- An important nuance: Finep's mandate covers all of these actors, but the instruments differ by type. In principle, only ICTs are eligible for non-reimbursable grants (subvencao requires a specific legal framework). A recent legal ambiguity arose when the TCU argued that it also conducts research, potentially making it eligible — a point under analysis.

According to documentation, beneficiaries emphasis has shifted over time, depending on the priorities of Finep's management. Under the presidency of Glauco Arbix (2011-2015), there was a focus on supporting bigger businesses (whilst encouraging them to bring SMEs into their R&D initiatives). Under the presidency of Luis Fernandes, support towards SMEs was prioritized.

Segmentation

Finep segments beneficiaries across several dimensions:

- **By instrument type:** Each instrument (credit, subsidy, non-reimbursable, equity investment) targets different actor profiles.
- **By company size:** Direct credit for large operations (above BRL 10-40 million); decentralized agents for smaller operations. Subsidy (subvenção) is open to all sizes but criticized for also reaching large companies that 'may not need the subsidy.'
 - Category I – Micro-enterprise and small enterprise (EPP): gross revenue in the previous year less than or equal to BRL 4.8 million;
 - Category II – Small enterprise: gross revenue in the previous year greater than BRL 4.8 million and less than or equal to BRL 16.0 million;
 - Category III – Medium-sized enterprise I: gross revenue in the previous year greater than BRL 16.0 million and less than or equal to BRL 90.0 million;
 - Category IV – Medium-sized enterprise II: gross revenue in the previous year greater than BRL 90.0 million and less than or equal to BRL 300.0 million;
 - Category V – Large enterprise: gross revenue in the previous year greater than BRL 300.0 million.
- **By sector:** Finep has 7 thematic analysis areas (health, agro, energy, defense, food, digital transformation, and infrastructure/mobility). Nova Industria Brasil aligns Finep's focus to 6 strategic sectors: agroindustrial chains, health, infrastructure, digital transformation, energy transition, and national defense.
- **By region:** A 30% allocation minimum for North, Northeast and Center-West is mandated. The Amazon is an explicit priority under the current government: *'We give emphasis to this. The previous government did not.'*
- **By stage of maturity:** Finep focuses on pre-market innovation (TRL 1-9 depending on instrument). BNDES focuses on market-ready investments. *'Finep takes companies that are not at the stage of entering the market. Who takes the companies that are entering the market is BNDES.'*
- **By technological maturity/ Technology Readiness Level, (TRL):** Regional calls explicitly target TRL 3-9. The Mais Inovacao Brasil program specifies TRL requirements per call.

Eligibility criteria/methods for selecting beneficiaries

Eligibility varies by instrument. Common criteria:

- For credit (reimbursable): Company must present a Strategic Innovation Plan; must demonstrate capacity to repay; must have guarantees; project must have innovation content (new to the world/Brazil/sector).
- For subsidy (subvenção): Open public calls (editais); must be aligned with strategic themes from the current MCTI Investment Programs; assessed on innovation merit by ad hoc university consultants; ranked and approved by Executive Directorate.
- For non-reimbursable (ICTs): Must be an ICT or accredited foundation; responds to public calls or letters of invitation (cartas-convite); strong focus on research infrastructure.

- For equity investment: Innovative companies. Indirect process in which private investment managers are selected through open calls, with specific mandates and via specialized funds.

A consistent challenge is the difficulty companies have in structuring their projects to meet Finep's requirements: obtaining financial guarantees, correctly framing their activities within thematic priorities, and navigating the submission platform. A market of consulting firms has developed to help companies with this. *'The digital submission makes it easier and you can receive feedback to improve your application.'*

3.5 SERVICE OFFERING

Main Instruments

Finep supports all stages of the scientific, technological and innovation process, from research to commercialization. To do this, it uses a range of (primarily financial) support instruments. Organisations receiving Finep's support are generally required to provide matchfunding, whether through capital or in-kind contributions (such as access to laboratories or salary contributions).

Finep operates a broad portfolio of financial instruments, each managed by a specific directorate with specialized technical teams:

1. Reimbursable Credit (Credito Reembolsavel)

- Direct credit: Operations above BRL 10-15 million, directly managed by Finep. It is aimed at medium and large companies.
- Indirect/decentralized credit: Operations below BRL 15 million, executed via partners (banks, credit cooperatives, state development banks). More than 80% of these contracts are with MSMEs.
- Interest rates: TR + 2.5% to TR + 7% per annum (well below market rates; TR was ~2% at interview time). It integrates long grace periods.
- In 2024, 131 credit projects were contracted directly; ~60% of these will rely solely on FNDCT loan resources.
- Finep contracted BRL 15 billion in new credit in 2024 and disbursed BRL 10.7 billion.

2. Economic Subsidy (Subvenção Econômica)

- Non-reimbursable grants for companies to develop innovative products, processes, or services with technological risk.
- Distributed via public calls, open continuously for subsidy and periodically for other non-reimbursable.
- Partnerships with ministries for thematic calls are organized around the 12 MCTI strategic investment programs and Nova Industria Brasil's six missions.
- All company sizes are eligible. Criticism noted that large companies also access this instrument.
- Mais Inovação Brasil Round 1 (2024-2025): 13 calls, BRL 2.5 billion.

- Regional focus: Dedicated regional call for North, Northeast, and Center-West (projects TRL 3-9 aligned with NIB missions).

3. Non-Reimbursable for ICTs

- Grants to public and private research institutions, universities, and technological centers.
- Strong focus on research infrastructure (construction/renovation of labs, equipment).
- Distributed via public calls or letters of invitation (cartas-convite).
- Key ongoing program: PROINFRA 2025 (infrastructure support for MCTI research units).
- Recurring questions about public use of financed infrastructure and sustainability of investment.

4. Equity Investment Instruments

Finep's venture capital role began in 2000 via the INOVAR program (funded by IDB), which helped develop the Brazilian venture capital market.

Finep's equity investment instruments are managed by the Coordenação do Programa Finep Startup (CPFS), subordinate to the Área de Investimento e Mercado de Capitais (AIMC) within the Diretoria Financeira, de Crédito e Captação (DRFC). Finep is also a member of the Associação Brasileira de Private Equity & Venture Capital (ABVCAP).

There are two modalities:

- Direct equity (Programa Finep Startup): Finep invested directly in startups — total of 34 companies, ~BRL 28 million invested. As of June 2025, new proposals were no longer accepted because the program reached its maximum operational capacity. Finep has already received ~BRL 11 million in amortizations. The remaining portfolio (FIP Finep Startup I, managed by KPTL) holds assets and cash valued at ~BRL 23 million (per CVM disclosure). The last direct investment was in Neosilos (Curitiba; AI-based grain classification) in 2025.
- The program regulation defines Finep as a "Smart Money investor," committing to provide also non-financial contributions beyond capital: insights from its specialist team, mentoring, visibility, networking, and prospection of commercial opportunities and partnerships.
- Indirect investment via Venture Capital fund managers: Finep selects specialized fund managers through competitive open calls (Chamadas Públicas). Managers choose and accompany portfolio companies; returns flow back to Finep for reinvestment. This is now the primary equity instrument. The average processing time from proposal submission to the first disbursement is around 12 months. However, funds are only released after contract signature, which takes approximately two months on average.

Active FIP Funds (Investment Stage)

Dimension	Key Findings
FIP Inova Empresa (Angra Partners)	Exclusive fund; companies with ROB > BRL 20M. Total commitment: BRL 380M (Finep: BRL 190.7M). 5 active investees. Recent investments: Promip (bioinputs, 2024) and Bioma (precision diagnostics — oncology, fertility, pharmacogenetics, 2025).
FIP Criatec 4	Non-exclusive; Seed Capital; companies with revenue up to BRL 20M. ESG focus (governance, environmental, social good practices). FNDCT capital: BRL 40M.
FIP Govtech (KPTL)	Non-exclusive; Seed Capital; companies with revenue up to BRL 20M. Focus: digital transformation of public services. FNDCT capital: BRL 40M.
FIP Nordeste Capital Semente	Non-exclusive; Seed Capital; early-stage tech companies. Anchor co-investors: Banco do Nordeste and Sebrae. Managers: Triaxis Capital + Crescera Capital. FNDCT capital: BRL 40M.

New FIP Calls Open (Seeking Managers)

Dimension	Key Findings
FIP Complexo Economico Industrial da Saude	Health complex companies (ROB up to BRL 300M). Partners: BNDESPAR + Fundacao Butantan. FNDCT capital: BRL 60M.
FIP Transição Energética e Descarbonização	Energy transition companies (renewables, storage, biofuels, green hydrogen, carbon capture, decarbonization). Partners: Petrobras + BNDESPAR. FNDCT capital: BRL 60M.
FIP Bioeconomia e Sustentabilidade	Companies integrating bioeconomy / sustainable use of Brazilian biodiversity. FNDCT capital: BRL 60M.

Several additional funds are in the divestment stage, including: FIP Primatec (TICs, energy, sustainability, creative economy — invested via incubators/tech parks through the Rede Primatec), FIP Finhealth I, FIP Brasil Agronegocio, FIP Brasil Central, FIP Capital Tech II, FIP Cventures Primus, FIP DGF Inova, FIP Aeroespacial, FIPAC II, FIP Inovacao Paulista, FIP JB VC I, FIP NascentI, FIP Neo Capital Mezanino II, FIP Oria Tech 1, FIP RB Nordeste II, FIP Sul Inovacao, and FIP Terra Viva.

5. Thematic and Special Programs

- Mulheres Inovadoras (Women Innovators): Award + mentorship program. Currently in its 7th edition (2026 call open until May 2026). Partnership with female entrepreneurship support institutions; external evaluation by UNESCO.
- Finep pelo Brasil: New initiative launched in 2026 to democratize access to Finep investments for companies and research institutions across the country (regional roadshows).
- Espaço Finep Acceleration Programme: Finep's own acceleration program for startups, running over 5 months in three phases — (i) Value Proposition and Business Model, (ii) Marketing and Sales Capacity-Building, and (iii) Market Intelligence. Up to 10–12 startups per edition are selected via public call. The program leverages Finep's in-house technical knowledge and network of relationships to identify demands, partnerships, and clients. Successful participants receive a BRL 150,000 prize. Managed by Finep's Department of Entrepreneurship and Investment in Startups. (Last edition 2022-2023)
- Tecnova III: Finep's decentralized innovation support program providing economic subsidy to micro, small, and medium-sized companies (up to BRL 16M annual revenue) for developing innovative products and processes. The program operates through state-level partners (FAPs) with BRL 270M in project grants, plus up to BRL 50M in additional FNDCT/Finep resources for an acceleration component covering marketing, sales, business model refinement, and market opportunity identification.
- Mais Inovacao Brasil: Umbrella program for Nova Industria Brasil subsidy calls (agroindustrial chains, health, infrastructure, digital transformation, energy transition, defense).
- PROINFRA: Infrastructure support for ICTs and MCTI research units.
- Identidade Brasil: Support for ICT foundations.
- Conhecimento Brasil: Knowledge and research support program (BRL 300M in Round 2, 2026).
- International cooperation calls: Globalstars (EUREKA network), bilateral calls with Norway (RCN), R&D Center calls, etc.

Partnership-Based Reach Extension

In addition to its five core financial instruments, Finep leverages partnerships to provide technical assistance — a service not systematically structured within its own operations — and extend coverage to territories beyond its direct presence. Key examples include:

- SEBRAE (Brazilian Service for Support to Micro and Small Businesses) collaboration:
 - Crédito Inovação Finep-Sebrae (BRL 1B credit line, 2021): Joint program offering innovation credit to MSMEs (up to BRL 4.8M revenue), complemented by free SEBRAE consultancy and capacity-building to prepare funding applications.

- FAMPE Inovacred: (BRL 160M guarantee fund, Dec 2023): Brazil's first innovation-focused guarantee fund, co-financed by Finep and SEBRAE (BRL 80M each), covering up to 80% of loan value to reduce collateral requirements and facilitate MSME access to innovation credit.
- ➔ Regional execution networks: Programs like Centelha (MCTI/CNPq/ Finep, operating since 2019 across all 27 states via FAPs and SEBRAE) extend early-stage support to territories where Finep has limited direct presence. Finep provides subvention funding within a multi-actor structure coordinated by MCTI.
- ➔ State-level co-investment: FIP Nordeste Capital Semente (BRL 120M, 2025) pools resources from Finep, Banco do Nordeste, and SEBRAE to address regional VC gaps, with fund management by Triaxis and Crescera.

Nova Industria Brasil Alignment

Since its launch in 2024, Nova Industria Brasil (NIB) has become the primary strategic framework organizing Finep's service offering. All major calls and thematic programs are aligned to NIB's 6 missions:

Dimension	Key Findings
Mission 1: Agroindustrial Chains	Sustainable agroindustrial value chains; family farming; food security
Mission 2: Health	Complex health industry (pharma, medtech, biotech); SUS supply chain
Mission 3: Infrastructure & Mobility	Sustainable transport, urban infrastructure, sanitation
Mission 4: Digital Transformation	AI, semiconductors, cloud, IoT, Industry 4.0
Mission 5: Energy Transition	Green hydrogen, biofuels, renewable energy, decarbonization
Mission 6: Defense	Strategic defense technologies

By the end of 2025, MCTI and Finep had invested BRL 44.3 billion (including counterparts) in NIB-aligned projects since the start of the current administration. Finep and BNDES together approved

BRL 14 billion for innovation in 2025 alone. Energy Transition was the sector receiving the largest Finep investment in 2023-2024 (over BRL 6 billion).

Value Chain Coverage

Officially, Finep supports the entire science and technology development cycle: basic research, applied research, product innovation, process development, market preparation, and first industrial units (since 2012 also mergers/acquisitions/Joint ventures). **In practice, Finep's focus is predominantly on pre-commercial innovation (TRL 1-9), while BNDES focuses on productive investment.**

Besides, Finep's instruments are prioritized according to target audiences and the stage of the innovation cycle, with different modalities directed to research institutions, companies (including startups and SMEs), innovation environments, and public or strategic national projects. Non-reimbursable funding is mainly allocated to research and cooperative R&D, while credit and equity instruments are focused on firms and entrepreneurial initiatives, following strategic priorities defined by the Ministry of Science, Technology and Innovation and the FNDCT Steering Council.

Service delivery

Service delivery is predominantly centralized and digital, with most applications, evaluations, and monitoring conducted online from headquarters, complemented by hybrid interactions when technical follow-up is required. Finep does not maintain a large decentralized structure. However, its regional offices operate mainly with a promotion and outreach role, supporting the dissemination of funding opportunities and engagement with local innovation actors, while operational decisions remain centralized. The agency frequently works through partnerships with other public agencies, financial institutions, research organizations, and investment funds rather than through a branch-based model. In addition to its regular financial instruments, Finep also implements specific programs and public calls aligned with federal policy priorities, sectoral funds, and strategic national initiatives.

Communication strategy

Finep communicates with its audiences through:

- Website: All instruments, calls, results, and transparency data are published (legally mandated).
- Social media: Active LinkedIn and Instagram accounts; Active whatsapp channel; external communications agency for major newspapers and specialized outlets.
- Niche mailings: Targeted emails to sectoral business associations, startup communities, research institutes.

- Webinars and events: Regular webinars on new calls; participation in major sector fairs (Agrishow, etc.).
- Finep pelo Brasil: New regional roadshow initiative visiting universities and companies.
- Sponsorships: BRL 10 million sponsorship budget used for thematic fairs and events.

Interviewees noted that Finep's communications department is undersized relative to the scale of operations and the growth in resources since 2022. *'We are at the limit. The Finep as a whole should be larger since resources grew after 2022.'*

Gender, green transition, and inclusion

The Budget Guidelines Law (LDO) provides guidelines for the application of resources by Brazil's official development finance agencies, including the reduction of regional, social, gender, racial and ethnic inequalities in lending and financing activities. Within this policy framework, Finep has developed initiatives addressing gender equality, environmental sustainability and regional inclusion, although their degree of integration across its portfolio varies.

Finep's gender and inclusion efforts are stronger internally than externally:

- Internal: Finep has a internal gender equality policy. The Executive Directorate's variable compensation is partially linked to achieving 40% female representation in the workforce. Awareness campaigns on DEI, female leadership training, and racial diversity census have been implemented.
- External (toward beneficiaries): Gender and racial criteria are included in project application forms and are being mapped. Environmental and social criteria are among the 10 criteria assessed in credit analysis. The Mulheres Inovadoras program is the primary external instrument targeting gender equity. Nevertheless, there are no consolidated specific directives for gender or racial equity in external funding instruments. The need to incorporate these themes into Finep's strategic guidelines and funding instruments is recognized but not yet systematically implemented.

Energy Transition is an explicit strategic priority and the largest thematic investment area in 2023-2024 (over BRL 6 billion). Finep's alignment with COP 30 (Belem, Brazil, November 2025) has been stated publicly. Green transition is embedded in Nova Industria Brasil Mission 5 (Decarbonization and Bioeconomy).

- Specific instruments: Calls for green hydrogen, sustainable aviation fuel, biofuels, circular economy, sustainable cities, energy efficiency.
- Internal actions: Environmental and social risk assessment is a criterion in credit analysis.
- Finep does have a regional dashboard showing territorial distribution of resources (relevant for environmental justice).

A key inclusion challenge for Finep is regional disparity:

- Mandated: 30% of FNDCT resources must flow to North, Northeast and Center-West regions, as established by the FNDCT legislation. Proposals from these regions are exceeding this threshold in some cases.

- Reality: In 2024, only 11,7% of Finep’s total resources were applied in the North, Northeast, and Center-West regions, indicating a significant gap between the regional distribution of Finep’s resources and the objective of reducing regional inequalities.
- Specific initiatives: Family farming technology call; Amazonian biodiversity and bioeconomy focus; Mais Inovacao Regional call (specifically for North, Northeast, Center-West).
- Finep pelo Brasil: Regional roadshow initiative to improve access and visibility in underserved regions.

3.6 RESULTS ACHIEVED AND IMPACTS

Results

In Brazil, Finep has developed a number of innovation-support initiatives that have been scaled up into government-wide programs, such as INOVAR, a widely respected scheme that has increased the levels of venture capital available to technology-based Brazilian startups.

Indicators of 2024 results were record-breaking :

Dimension	Key Findings
NIB Projects (2023+2024)	~2,000+ projects, BRL 24.5 billion approved
Researchers involved (NIB subsidy)	> 2,800 (900+ with Masters/PhDs)
Partner companies (NIB subsidy)	>400
Scientific institutions involved	> 140

The total contracted value in 2019-2022 (4 years) was BRL 9.5 billion — 63% of what was contracted in 2024 alone. This reflects the dramatic expansion of Finep's operational capacity and budget under the current government framework.

Monitoring and Evaluation System

Monitoring and evaluation (M&E) is described by interviewees as Finep's 'calcanhar de aquiles' (Achilles' heel).

- Current M&E capacity: 1 full-time and 2 part-time staff in the M&E function. External partners (UNESCO, IPEA, World Bank, Unicamp) supplement this limited internal capacity.
- Finep has a number of internal tools to measure organizational performance. However, while Finep analyses the results of individual projects, it has done less to evaluate programs or the organization as a whole.
- What is measured: Project-level monitoring is mandatory for all credit and subsidy contracts. Beneficiaries report against pre-defined milestones (logframe), and Finep verifies delivery at project end. This corresponds to output monitoring (not impact assessment). In addition, several evaluations are conducted for specific programs (executive, formative, ex-ante). Partnership with UNESCO provides external evaluation for the Mulheres Inovadoras program.
- Finep has carried out a number of post-hoc program evaluations showing a positive impact on company R&D investment. However, they have not put in place systematic impact evaluation (economic returns, employment effects, technology spillovers, behavioral change). *'In theory, impact evaluation for measuring innovation is complex because you need to measure indicators at 3 moments: T1 (start), T2 (end), and T3 (2-7 years after implementation). This is not simple. We have not yet managed to measure even T2 systematically, let alone T3.'*
- Previous attempt: A study with UNICAMP was conducted but results were 'not statistically relevant' and did not reflect Finep's actual impact. Finep recognizes it cannot currently claim 'the overall impact of Finep.'
- Dashboard: Finep has public dashboards (Central de Painéis) providing transparency on project data, regional distribution of resources, and operational metrics — a strength in data transparency even if deep impact measurement is lacking.

4. FINEP ANALYSIS

Based on the collected data, the table below provides a synthesized overview of Finep's key institutional dimensions based on our analysis.

Dimension	Key Findings
Mission & Mandate	<p>Strong public mandate.</p> <p>Ongoing internal debate about role as financial agency vs. ecosystem orchestrator.</p>

Dimension	Key Findings
Governance	<p>Dual governance structure (Finep corporate + FNDCT political).</p> <p>Strategy centralized in Ministry.</p> <p>Execution autonomy.</p>
Budget & Scale	<p>BRL 17 billion planned for 2026; record BRL 22 billion credit portfolio in 2024.</p> <p>Historically volatile but now legally protected from contingency.</p>
Service Offering	<p>Comprehensive service offering: reimbursable credit, economic subsidy, non-reimbursable for ICTs, equity investment. Aligned with Nova Industria Brasil.</p>
Target Audiences	<p>Broad target audience: companies of all sizes, universities, research institutes. Credit operations bias toward medium/large firms.</p>
Regional Presence	<p>National reach; regional offices in all states.</p> <p>North/Northeast/Center West historically underserved; 30% resource allocation mandate for these regions.</p>
Processes & IT	<p>100% digital processes via proprietary in-house platform. Efficiency gains noted; speed improvements still needed.</p>
Monitoring & Evaluation	<p>Acknowledged as a major weakness. Only 1 full-time and 2 part-time staff dedicated to M&E; no comprehensive impact measurement system in place.</p>
Gender & Inclusion	<p>Strong internal DEI policies.</p> <p>Variable compensation tied to gender diversity targets but external mainstreaming still nascent.</p>
Partnerships	<p>Key partners: BNDES, CNPq, FAPs, sectoral ministries, international bodies (BID, UNESCO, World Bank).</p>

Finep shows the following strengths :

- Comprehensive and well-funded mandate: Finep covers the full innovation chain and has a historically large budget (BRL 17-22 billion range).
- Strong operational systems: Finep possesses a proprietary digital platform managing all processes end-to-end with an extremely low default rate (0.11%).
- Strategic alignment: Nova Industria Brasil provides a clear and politically supported strategic framework, galvanizing resources and priorities.
- Diversified instrument portfolio: Credit, subsidy, non-reimbursable grants, and equity investment provide a comprehensive toolkit for different types of actors and innovation stages.
- Strategic partnerships extend operational reach: Collaborations with business support agencies (SEBRAE), regional banks, and state-level entities allow to deliver technical assistance and territorial coverage beyond Finep's direct capacity.
- Legal protection of resources: LC 177/21 prohibiting "contingenciamento" (freezing) is a structural improvement that supports planning certainty.
- International credibility and partnerships through long-standing relationship with IDB, UNESCO, World Bank and active bilateral science and technology cooperation programs.

Nevertheless, Finep still faces the following key Challenges and Gaps :

- Monitoring and evaluation: Finep has a minimal capacity (1 full time and 2 part-time staff) for a BRL 17 billion portfolio. It has for now no systematic impact measurement. This is the most cited institutional weakness.
- Regional equity: Despite a 30% mandate for North/Northeast/Center-West, only 11,7% of resources reached these regions as of October 2024. Structural capacity gaps (low ability to write proposals, few local partners) require systemic solutions beyond specific calls.
- Entrepreneurship and startup ecosystem: The direct equity program (Finep Startup) closed for new proposals in June 2025 after reaching its operational capacity (34 companies, ~BRL 28M invested). Finep is transitioning fully to indirect support via venture capital fund managers — a more scalable but less hands-on model. Three new FIP (Brazilian private equity investment fund structure) calls (Health, Energy Transition, Bioeconomy — BRL 60M each) are currently open. The high interest rate environment remains a structural obstacle for venture capital in Brazil.
- Limited direct technical assistance capacity: Finep's own non-financial support structures are small-scale (Espaço Finep, Mulheres Inovadoras reach limited companies annually). As a consequence, broader technical assistance to MSMEs and early-stage entrepreneurs depends on partnerships with SEBRAE, state research foundations and private foundations, which reduces Finep's direct accessibility for nascent ventures.
- Coordination with CNPq: Finep and CNPq have complementary roles in supporting innovation, with Finep primarily focused on financing innovation activities and CNPq on research, human capital development, and academic training. Greater coordination between their instruments could nevertheless create opportunities to strengthen the connection between academic training and business innovation—for example, through complementary support for PhD researchers working in innovative companies. Gender and inclusion in external programs: Finep shows strong internal policies but limited translation into external funding criteria and instruments.

- Ecosystem orchestration capacity: Finep is beginning to play a convening role (seminars, strategic discussions) but this is ad hoc and depends on political will. No systematic strategy exists for this function.
- Staff capacity relative to resources: ~560 staff managing BRL 17 billion is a structural tension. The communications department in particular is undersized.

Several strategic opportunities would allow Finep to maintain its place and amplify its impact :

- COP 30 (Belem, 2025) and global sustainability agenda may allow to position Finep to deepen its energy transition and bioeconomy investments and enhance international partnerships.
- Amazonian biodiversity and bioeconomy is a major strategic opportunity combining environmental protection, scientific development, and economic inclusion of local populations.
- Strengthening M&E: With investment in evaluation capacity, Finep could better demonstrate its impact and attract further international resources and credibility.
- Deepening BNDES-Finep complementarity: A more formalized division of roles (early-stage vs. scale-up) and joint programming could strengthen the national innovation support system.
- Regional capacity building: Beyond financial instruments, Finep could develop programs to build proposal-writing capacity and local innovation ecosystems in underserved regions.
- Digital transformation of services: Finep should continue developing the platform and potentially offer new digital advisory services to help smaller companies access Finep instruments.

5. CONCLUSION

The cross-cutting analysis of the international benchmark of public agencies supporting the private sector and entrepreneurship highlights Finep (Brazil) as a notable example in **coordination, innovation financing, and ecosystem structuring**, while also revealing some limitations in its approach.

Finep's **strong institutional anchoring and governance** ensure the sustainability of its actions in favor of innovation. However, its dependence on FNDCT and the political vulnerabilities associated with it highlight the fragility of its funding mode as evidenced by the freezing of FNDCT funds in 2016 and 2022. Despite these challenges, Finep's model demonstrates how an agency can play a pivotal role in structuring a national innovation ecosystem while maintaining operational autonomy adapted to local realities.

For example, Finep has developed **innovation support initiatives** that have been scaled nationally, such as **INOVAR**, a widely recognized program that significantly increased the availability of venture capital for technology-driven Brazilian startups. This ability to design and deploy tailored financial instruments for innovative businesses serves as a model for agencies aiming to strengthen their impact on the entrepreneurial ecosystem.

Finep's **coordination capacity** is also particularly noteworthy. The agency led the design of **Plano Inova Empresa**, Brazil's national innovation and technology strategy launched in 2013, demonstrating its central role in aligning public policies with private sector needs. Its position as the **technical secretariat of the National Fund for Scientific and Technological Development (FNDCT)** further underscores its influence in shaping the country's strategic directions.

Finep offers a **comprehensive and adaptable range of services** to diverse public and private stakeholders. Its portfolio includes reimbursable credit, economic subsidy, non-reimbursable for ICTs, equity investment, with eligibility criteria aligned with Nova Industria Brasil. This flexibility ensures that both established enterprises and emerging startups can access tailored resources, fostering a dynamic and inclusive innovation ecosystem. Yet, the agency's focus has historically been on larger beneficiaries, which has led to an **imbalance in support for smaller enterprises**. Furthermore, Finep still struggle to address regional disparities, particularly in the **North, Northeast and Center-West regions of Brazil**.

These elements make Finep a source of inspiration for agencies seeking to **enhance coordination, diversify financial instruments, structure innovation ecosystems, and provide adaptable support to a wide range of actors**. Its approach offers valuable insights for designing effective, scalable, and inclusive policies, while also underscoring the importance of addressing limitations in reaching all segments of the entrepreneurial ecosystem.



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